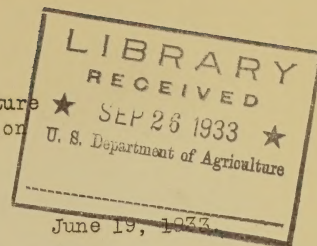


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United States Department of Agriculture
Agricultural Adjustment Administration
Washington, D. C.



Release Immediate

Plan for Applying the Agricultural Adjustment Act to
the 1933 Cotton Crop

The Secretary of Agriculture, Henry A. Wallace, Administrator George N. Peek, and Coadministrator Charles J. Brand of the Agricultural Adjustment Administration, with the approval of the President, announce the following plan of cooperation between the Government and the cotton growers of the United States for bringing supply and demand into better balance and for bringing prices to the parity contemplated by the law.

I

Through the instrumentality of the federal and state farm extension services, vocational teachers, volunteer committees set up in the cotton belt, and other available agencies, the Administration will ascertain to what extent the producers of cotton are willing to take out of production lands now planted to cotton in consideration of benefit payments, or options plus benefit payments, in accordance with its proposals. The willingness of the producers is to be expressed in the form of signed offers prepared in conformity with regulations prescribed by the Secretary of Agriculture.

II

Within a period of time to be prescribed and published by the Secretary, these agencies will confer with such producers for the purpose of presenting the proposals of the Agricultural Adjustment Administration and of ascertaining to what extent such producers will sign binding offers for the reduction of cotton acreage.

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Page 2

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FROM: [illegible]

RECOMMENDATIONS AND CONCLUSIONS

REMARKS

AT A CERTAIN POINT

III

The Administration will submit to the producers for acceptance or rejection the following proposal, which, if and when signed by growers and by the Secretary, will constitute a contract:

(a) That the producer agrees to take out of cotton production a certain acreage now planted to cotton.

(b) That as a consideration for the abandonment of such acreage, the grower shall receive the following:

EITHER

(1) A cash payment with cotton option as stated in such offer signed by the producer. The amount of such cash payment is to be on a per acre basis, subject to the regulations prescribed by the Secretary, and in accordance with the following schedule:

Schedule of Payments with Option

Yield per acre	:	Benefit payment per
	:	acre with option
<u>Pounds</u>		<u>Dollars</u>
100-124		\$6.00 Cash plus option on Govt. cotton at 6 cents a pound.
125-149		7.00 " " " "
150-174		8.00 " " " "
175-224		10.00 " " " "
225-274		11.00 " " " "
275- & over		12.00 " " " "

OR, AT THE GROWERS' ELECTION

(2) A cash benefit without cotton option as stated in such offer when signed by the producer. The amount of such benefit payment is to be on a per

00.9

135-140

00.00

The members selected to obtain the offers of company staff, in accordance

acre basis, subject to regulations prescribed by the Secretary of Agriculture, and in accordance with the following schedule:

Schedule of Payments when payment is made in cash only.

Yield per acre	:	Payment per acre without option
<u>Pounds</u>		<u>Dollars</u>
100-124		7.00
125-149		9.00
150-174		11.00
175-224		14.00
225-274		17.00
275- & over		20.00

These voluntary agreements above referred to, are to be in a form prescribed by the Secretary which when signed by the producers is to constitute an irrevocable offer for a limited, specified period of time during which the Secretary may accept or reject it.

IV

The agencies selected to obtain the offers of acreage will, in accordance with regulations prescribed by the Secretary, transmit the data furnished by these offers to the Agricultural Adjustment Administration.

V

If the Administration shall decide to take cotton out of production in accordance with this plan, it will, within the time designated in the offer, give notice to the producers whose signed offers have been accepted. It shall then be the duty of each such producer to comply with the regulations of the Secretary in the matter of taking out of cotton production the acreage covered by his offer. Included in the regulations shall be a requirement that the premises will be inspected prior to and subsequent to taking the acreage out of production. Upon satisfactory showing of compliance with the terms of the contract, each producer will receive the cash payment to which he is entitled and, in addition, if he has so elected, he will receive a non-transferable option contract under which the Secretary agrees to sell to the producer a stipulated quantity of cotton not in excess of the amount of the reduction in production which is estimated to have resulted from the acreage reduction.

VI

In accordance with the Act a processing tax shall be in effect on August 1, 1933, for the amount required by the terms of the Act. When and if it is determined to take a definite cotton acreage out of production, the Secretary of Agriculture will, jointly with the Secretary of the Treasury, estimate the amount of money which will be required currently for such purposes. Such sums as are needed from time to time shall be advanced to the Secretary of Agriculture. Benefit payments will be made promptly after producers have complied with their agreement.

VII

Land taken out of cotton production may be used for the production of soil improvement or erosion preventing crops or food and feed crops for home use.

VIII

The work of carrying out the foregoing plan has been assigned to Chester Davis, Director, Production Division, C. A. Cobb, Chief, Cotton Production Section, and Lawrence Myers, Economic Adviser, Agricultural Adjustment Administration. The State and Federal extension services, under the direction of Dr. C. W. Warburton, will cooperate in carrying out the field work as will the extension services of the various States.

